Offer of ISMA for Supply of Sugar

2786. SHRI RAJNI RANJAN SAHU: Will the Minister of FOOD be pleased to state :

(a) whether the Indian Sugar Mills Association offered to supply sugar @ Rs. 1300/- per quintal which could be sold in retail @ Rs. 14.50 to Rs. 15.00 per kg.;

(b) whether the ISMA has blamed traders and politician for high prices ; if so, Government's reaction thereon :

(c) whether Government have accepted the offer of ISMA ; if so, the details thereof ; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD (SHRI KALP NATH RAI) : (a) to (d) It was for the Indian Sugar Mills Association to have contacted retail agencies like Kendriya Bhandar, Super Bazar, private retailers, etc. to arrange retail sale of freesale sugar through them. The Indian Sugar & General Industry Export-Import Corporation Ltd. (a Corporation jointly promoted by the Indian Sugar Mills Association and the National Federation of Cooperative Sugar Factories) did, in fact, operate a scheme for sale of imported sugar through consumer outlets, such as Kendriya Bhandar, Super Bazar & private shops, in Delhi, Bombay, etc., on the condition that the retail price would not exceed Rs. 14.50 per kg.

Decontrol of Sugar Prices

2787. SHRI RAJNI RANJAN SAHU :
SHRI BHAGABAN MAJHI :

Will the Minister of FOOD be pleased to state :

(a) whether sugar industry has urged Government to completely decontrol sugar prices ;

(b) if so, the details thereof ;

(c) the reaction of Government thereon ; and

(d) whether Government propose to keep in view the interests of the weaker sections of the society while taking any decision to decontrol sugar?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD (SHRI KALP NATH RAI) : (a) and (b) Divergent views have been expressed by the two apex bodies of the sugar isdustry, namely Indian Sugar Mills Association (ISMA) and National Federation of Cooperative Sugar Factories (NFCSF). Whereas Indian Sugar Mills Association has made a demand for complete decontrol of sugar prices, National Federation of Cooperative Sugar Factories have opposed the decontrol of sugar.

(c) and (d) The present policy of partial control, with dual pricing system, is being continued.

Foodgrains in the FCI Godowns

2788. SHRI S. S. SURJEWALA : Will the Minister of FOOD be pleased to state :

(a) what is the total quantum of foodgrains including wheat and rice lying in the godowns of Food Corporation of India and other Government agencies as on 31st October, 1994 and since when these stocks are lying in these godowns ;

(b) the quantity of the foodgrains lying in the storage which has been fully/partially damaged and what is the estimate of losses caused ;

(c) whether Government propose to export/dispose of these stocks, if so, what are the plans of Government in this respect ;

(d) what are the reasons of having so much stocks in godowns, whether it is due to no demand of wheat and paddy in the national/international markets ;

(e) if so, the steps Government propose to take to check this huge loss and whether the growers will also be advised to sow such crops which can be immediately sold in the market or can be exported ; and

(f) if so the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD (SHRI KALP NATH RAI) : (a) About 304.16 lakh MTs of foodgrains were in the Central Pool as closing stock on 30-10-1994. The details are as follows :—

(In Lakh MTs)

	With FCI (P)	With State Government/State Agencies (P)	Total (P)
Wheat	82.09	67.69	149.78
Rice	128.29	26.09*	154.38
Coarse Grains	NEG.	NEG.	NEG.

*Includes paddy in terms of rice procurred during kharif marketing season 1994-95 by State Agencies not yet taken over by FCI.

P—Provisional

While stocks of wheat had started building up from Rabi 1992-93 onwards, the build up of rice with the FCI and Government agencies has been from Kharif 1993-94 market year onwards.

(b) A quantity of 13,583 MT foodgrains were transferred from sound to damaged foodgrains due to damages occured during transit, floods (1993-94), open storage handling etc. in 1994-95 upto 31-10-1994. An estimated loss of about Rs. 5.09 crores is expected due to these damages.

(c) The Government have allowed the exporters to export 5 lakh MTs of wheat during 1994-95 from the open market and the Food Corporation of India has also been authorised to export wheat from the Central Pool subject to certain conditions. FCI has not exported any quantity of wheat so far. FCI has also been authorised to sell to State Trading Corporation (STC) initially 50,000 MTs of wheat from the Central Pool in November, 1994 at prevailing open sale price announced by the FCI, for the purpose of export. Open Sale of wheat of 50 lakh MTs will continue upto December, 1994 and rice of 15 lakh MTs will continue upto September, 1995. Apart from this the Government have decided to sell about 1.87 lakh MTs of wheat to Modern Food Industries through Ministry of Food Processing Industries for Manufacture of bread to sell at lower rate, (b) supply of foodgrains to SC/ST/OBC Hostels at PPDS rate, (c) supply of wheat & rice to small Food Processing Units, run by below poverty line families at concessional rate.

(d) to (f) Due to good production of foodgrains during two consecutive crop years of 1992-93 and 1993-94 (July-June), the procurement of wheat and paddy from the farmers under price support operation and levy rice from the millers/traders, under Levy Price Mechanism has been at high levels. Thus the surplus stocks are due to high level of procurement of foodgrains (wheat and rice) and declining trend of offtake in Public Distribution System on account of better local availability and gradually narrowed down gap between the Central Issue Prices and prevailing market prices in many areas of the country. It is compulsory for the Government to purchase wheat and paddy of Fair Average Quality (FAQ) offered by the farmers under Price Support Operation, while it is voluntary for them to sell the foodgrains to the Government. For the farmers they are free to sell their foodgrains at higher prices in the market. Stocks built-up by the Government under Price Support Operation depend on the FAQ quality of foodgrains so procurred by the Government under the present policy. The farmers are free to grow foodgrains of better varieties. They are also eligible to export their foodgrains along with other exporters as per the existing Exim Policy.

Scheme for Storage of Excess Foodgrains

2789. SHRI SATISH PRADHAN : Will the Minister of FOOD be pleased to state :

(a) whether Government are contemplating any scheme for the storage of excess foodgrains in the country and for revamping the Public Distribution System ;

(b) if so, the details thereof ;

(c) whether it is a fact that the foodgrains i.e. wheat and rice will be supplied at a cheaper rate to the hostels of Scheduled Castes and Scheduled Tribes;

(d) if so, whether Government have received any complaints in the past regarding the misuse of such supplies to these hostels who passed on these supplies to the open market for sale ; and

(e) if so, what precautions Government propose to take in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD (SHRI KALP NATH RAI) : (a) Yes, Sir.

(b) The Government have planned through the Food Corporation of India the following course of action to meet the additional storage capacity requirements on account of the excess stocks of foodgrains.

(i) All the vacant storage capacity available with State and its agencies are being shared.

(ii) All the Warehousing Corporations (Central and State) have been approached for additional storages capacity requirement.

(iii) The Construction of on-going godowns is being expedited.

(iv) FCI's own CAP capacity is being enhanced to the extent land is available in the existing godown premises as well as on land in its possession where godown is still to be constructed.

(v) National Airport and Defence Authorities are being approached for hiring abandoned airstrips for creating large CAP complexes.

(vi) Encouraging Private parties to construct plinths for open storage as well as covered godowns; and thus, taking into consideration the measures taken by FCI for augmenting their storage capacity both as open storage and the additional covered storage, it is estimated that an additional capacity between 3 to 4 million tonnes may be made available to the Food Corporation of India by March, 1996.

(c) Yes, Sir. A quantity of 84,000 tonnes of foodgrains (wheat and rice taken together) has been allocated for the remaining part of 1994-95 with effect from December 1994 for issuing to SC/ST/OBC hostels throughout India, at